

Message Text

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TO AMEMBASSY TEHRAN IMMEDIATE

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TAGS:OVIP(KISSINGER, HENRY A.)

SUBJECT: COMBINED TRAVELING PRESS REPORT - MORNING,
NOVEMBER 2, 1974

FOR AMBASSADOR ANDERSON FROM S/PRS

NO. 27

RADIO

1. CBS RADIO - KALB - IRAN -- FOR WHATEVER COMBINATION OF REASONS, KISSINGER LEFT REPORTERS WITH THE IMPRESSION THAT OIL PRICES MAY BE STABILIZED AND PERHAPS EVEN GO DOWN AS A RESULT OF HIS TALKS HERE AND AFTER THE NEXT MEETING OF OIL PRODUCING COUNTRIES IN DECEMBER. BUT THEN ONE HOUR LATER THE SHAH HELD HIS OWN NEWS CONFERENCE AND HE LEFT REPORTERS WITH A DIFFERENT IMPRESSION - THAT ALTHOUGH IRAN WILL PROPOSE A SLIGHT REDUCTION IN THE POSTED PRICE OF EXPORTED CRUDE OIL, THAT IS TO SAY FROM \$11.65 DOWN TO \$10.05, THAT DOES NOT NECESSARILY MEAN THAT THE CONSUMER WILL BENEFIT FROM LOWER OIL PRICES. THE SHAH DEFLECTED UNCLASSIFIED

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CRITICISM FROM HIMSELF AND INSTEAD DIRECTED IT AT THE OIL COMPANIES - WHY SHOULD THEY MAKE A TWO DOLLAR PROFIT ON EACH BARREL OF OIL, HE ASKED RHETORICALLY, WHY NOT FIFTY CENTS. ...

2. NBC RADIO - VALERIANI - IRAN - KISSINGER TOLD A NEWS CONFERENCE IN TEHRAN THAT AFTER FOUR HOURS OF TALKS WITH THE SHAH LAST NIGHT, THE VIEWS OF IRAN AND THE U.S. ON THE IMPACT OF HIGH OIL PRICES ON THE WORLD'S ECONOMY HAVE COME CLOSER TOGETHER. BUT HE GAVE NO HINT THAT IRAN MIGHT SUPPORT AMERICAN EFFORTS TO PREVENT A PRICE INCREASE AT THE NEXT MEETING OF OPEC IN DECEMBER. THE SHAH HIMSELF IN A SESSION WITH NEWSMEN ACCOMPANYING KISSINGER INDICATED THAT THE PRICE OF OIL WAS ABOUT TO BRING ABOUT A LOWER PRICE OF OIL IN THE COUNTRIES WAS TO REGULATE THE PROFITS OF THE MAJOR OIL COMPANIES.

3. CBS - KALB - TEHRAN FIRST LINE REPORT - HAK APPROACHING THE ME ONCE AGAIN, A PLACE HE HAS NEVER REALLY LEFT, IT IS FUNNY THE WAY HENRY KISSINGER HAS BEEN RUNNING AROUND THE ASIAN SUBCONTINENT THIS PAST WEEK, INDIA, BANGLADESH, PAKISTAN, AND THEN AFGHANISTAN, THE CROSS ROADS BUFFER BETWEEN RUSSIA, CHINA, AND INDIA BUT HE HAS BEEN REALLY THINKING ABOUT THE ME. HE HAS BEEN EVER SINCE EARLY LAST WEEK WHEN WHEN THE ARAB SUMMIT MEETING IN MOROCCO SPECIFICALLY ISRAEL FOR THE RETURN OF THE WEST BANK. AND, WHEN A DAY LATER IN WASHINGTON, PRESIDENT FORD WAS ASKED ABOUT THIS ARAB SUMMIT DECISION, HE ADVISED ISRAEL TO NETOGIATE WITH EITHER JORDAN OR THE PLO FOR THE SAKE OF PEACE IN THE ME AND THROUGHOUT THE WORLD. FROM THE HAK PLANE CAME THE HINT THAT THE PRESIDENT HAD MISPOKEN AND FROM THE WHITE HOUSE CAME THE DENIAL THAT THERE HAD BEEN ANY CHANGE IN POLICY AT ALL. THE FACT IS WHETHER THE PRESIDENT MISPOKE OR NOT HIS WORDS ARE NOW PART OF THE PUBLIC RECORD READ BY EVERYONE FROM RABIN TO ARAFAT AND THE DOOR THUS HAS BEEN PUSHED OPEN TO A MAJOR REVIEW OF AMERICAN POLICY IN THE MIDDLE EAST. STRATEGY AND TACTICS UNDER EXAMINATION AS SUDDENLY THE PALESTINIANS FEEL THEY ARE RIDING THE CREST OF POPULARITY AND PERHAPS NOTORIETY TOWARDS POWER. ...HAK SAYS THE SAME THINGS IN PUBLIC HE HAS UNCLASSIFIED

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ALWAYS SAID -- THAT THE MOST EFFECTIVE WAY OF SETTLING THE WEST BANK PROBLEM IS BY WAY OF BETWEEN ISRAEL AND JORDAN. ISRAEL WILL NOT NEGOTIATE WITH THE PALESTINIANS, HOWEVER, CONSIDERING THEM TERRORISTS AND MURDERERS; THEREFORE THE WEST BANK NEGOTIATION WHICH WAS ALWAYS CONSIDERED TOUGH MAY NOW HAVE BECOME IMPOSSIBLE. HAK THINKS THAT MAYBE THE BEST THING TO DO NOW, IS

NOTHING; JUST TO SIT BACK AND ALLOW THE ARABS TO CONTEMPLATE WHAT THEY HAVE DONE, TO LET ALL THE IMPLICATIONS SINK IN. AND YET KISSINGER FINDS IT VERY DIFFICULT TO DO NOTHING, HE IS TRAPPED BY THE NEED TO DO SOMETHING -- TO HOLD OFF WAR, TO HOLD OFF ANOTHER ARAB OIL EMBARGO AND

TO HOLD OFF WESTERN DEFECTIONS FROM ISRAEL'S INTER-NATIONAL BANNER. HE IS THE ONLY ONE WHO HAS THE STANDING AMONG THE ARABS AND THE ISRAELIS TO SERVE AS A MIDDLE MAN. IF THE ARABS WANT ISRAELI WITHDRAWAL WITHOUT WAR THEY MUST COME TO HIM. IF THE ISRAELIS WANT SECURITY WITHOUT MORE WAR, THEY MUST COME TO HIM TOO. HE IS THE NEGOTIATOR WHO WAS DOING MORE THAN ANY OTHER TO SPIN A WEB OF MUTUAL AND GRADUAL ACCOMMODATION IN THE ME; BUT HIS PLAN AND HIS TIMETABLE HAVE BEEN DISRUPTED BY THE ARAB DECISION ON THE PALESTINIANS. HIS PLAN WAS TO GO STEP-BY-STEP BEGINNING WITH DISENGAGEMENT AND ENDING WITH JERUSALEM AND

THE PALESTINIAN QUESTION. NOW THAT QUESTION HAS BEEN PUSHED FRONT AND CENTER AND THE U.S. MUST DEAL WITH IT SOONER, PERHAPS, THAN LATER. HIS TIMETABLE IS ALSO IN TROUBLE. HE THOUGHT HE COULD ANNOUNCE THE NEXT PHASE OF ARAB-ISRAELI TALKS NEXT WEEK DURING HIS SWING THROUGH THE ME. THAT NOW VIRTUALLY IMPOSSIBLE. SO, THERE- IS A LOT OF THINKING TO BE DONE BY EVERYONE.

WIRES

1. AP - SCHWEID - TEHRAN -- HAK INDICATED LITTLE HOPE TODAY FOR A REDUCTION IN OIL PRICES. BUT A SHORT TIME LATER THE SHAH DECLARED HE WOULD URGE FELLOW OIL PRODUCERS TO LOWER THEIR PRICES BY ABOUT 14 PERCENT. UNCLASSIFIED

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HAK MET FOR 4 HOURS WITH SHAH AND AFTERWARD SHIED AWAY FROM PREDICTING A PRICE DROP. QUOTE BEFORE YOU CAN HAVE LOWER PRICES YOU MUST HAVE STABLE PRICES END QUOTE HE TOLD NEWSMEN. BUT A SHORT TIME LATER, THE SHAH HELD HIS OWN NEWS CONFERENCE, REAFFIRMED HIS POSITION THAT OIL PRICES SHOULD BE LINKED TO THE PRICE OF OTHER COMMODITIES, AND ANSWERED HE WILL TRY TO PERSUADE THE OIL PRODUCING NATIONS TO REDUCE POSTED CRU OIL PRICES FROM ELEVEN DOLLARS SIXTY-FIVE CENTS TO TEN DOLLARS A BARREL. SHAH DECLARED HE EXPECTS ANY SUCH REDUCTION TO BE EATEN UP BY OIL COMPANY PROFITS AND SAID HE THINKS IT WOULD MEAN LITTLE CHANGE IN THE PRICE PAID BY AMERICAN CONSUMER.

HAK RULED OUT POSSIBILITY OF U.S. USING ITS FOOD RESOURCES AS A WEAPON TO FORCE LOWEROIL PRICES. BUT HAK SAID QUOTE ANY THOUGHTFUL PERSONS END QUOTE MUST RECOGNIZE THAT HIGH PRICES ARE CONTRIBUTING TO INFLATION.

HAK AGAIN DECLARED THAT THE U.S. IS NOT REEVALUATING ITS OPPOSITION TOWARD PLO AND HE SAID HE WILL PROBABLY AGAIN VISIT ME NEXT WEEK.

2. UPI - TEHRAN - SHAH AGREEING WITH HAK ON NEED TO CHECK

INFLATION, ANNOUNCED HE INTENDX PROPOSE A SINGLE OIL PRICING SYSTEM THAT COULD RESULT IN LOWER GASOLINE PRICES. ASKED AT A NEWS CONFERENCE IF THIS WOULD RESULT IN A DROP IN AMERICAN GAS PRICES, HE REPLIED QUOTE IT SHOULD BE LESS BECAUSE THERE WILL BE THAT MUCH MONEY LESS IN POSTED PRICES, AND PROFITS FROM OIL PRICES WILL BE LIMITED END QUOTE. SHAH MADE STATEMENT AFTER HE AND HAK AGREED TO NEED TO FIGHT WORLD-WIDE INFLATION TO AVERT A MAJOR ECONOMIC CRISIS.

HAK AT A NEWS CONFERNECE HELD JUST BEFORE SHAH'S, SAID HE WAS ENCOURAGED BY HIS FOUR-HOUR MEETING THAT IRAN APPARENTLY REALIZED THAT INFLATION AND HIGH OIL PRICES MUST BE FOUGHT TOGETHER.

HAK TOLD NEWSMEN HE PROBABLY WOULD VISIT ME NEXT WEEK.
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DIPLOMATIC SOURCES SAID HAK PLANNED A LIGHTENING TOUR OF EGYPT, JORDAN, SYRIA, ISRAEL AND POSSIBLY SAUDI ARABIA. THEY SAID HE ALSO WAS LIKELY TO FLY TO TURKEY TO DISCUSS CYPRUS PROBLEM AND STOP IN TUNISIA ON HIS RETURN JOURNEY.

3. NYTIMES - GWERTZMAN -- TEHRAN PAGE 9 (NO PIX) --
HAK SOUGHT TO PERSUADE SHAH OF THE CRIPPLING EFFECT CONTINUING RISES IN OIL PRICES COULD HAVE ON THE WHOLE FABRIC OF WESTERN WORLD. TWO MEN COVERED A RANGE OF PROBLEMS, BUT FOREMOST WAS SHARP POLICY DIFFERENCE IN LAST YEAR BETWEEN IRAN, WHICH HAS PLAYED A LEADING ROLE IN PUSHING PRICE OIL UPWARDS AND THE U.S., WHICH HAS LED CAMPAIGN TO CURB RISE.

NEWSMEN WERE TOLD ABROAD HAK JET THAT HAK DID NOT INTEND TO SEEK A REDUCTION IN OIL PRICES BECAUSE HE KNOWS THAT SUCH A REQUEST WOULD BE REJECTED.

HAK STRATEGY WAS TO DISCUSS OVER-ALL SITUATION CAUSED BY FOURFOLD INCREASE AND TO STRESS EFFECT CONTINUED RISES

COULD HAVE ON MANY EUROPEAN COUNTRIES. BEHIND THIS LINE OF APPROACH LIES HAK'S HOPE OF AVERTING A FURTHER

PRICE RISE AT OPEC MEETING NEXT MONTH IN VIENNA.

HAK INTENDED TO DISCUSS ME SITUATION IN LIGHT OF RABAT CONFERENCE AND SHAH'S PLAN FOR STRENGTHENING INDIAN OCEAN AREA.

WASHPOST - MARDER - TEHRAN PAGE 10 (NO PIX) -- HAK
BEGAN TO TAKE SOUNDINGS WITH SHAH ON HIS PERCEPTION OF WORSENING ARAB ISRAELI NEGOTIATING CRISIS AND WORLD OIL

SITUATION THAT IS INTERWINED. HAK STILL WORKING OUT ARRANGEMENTS FOR HIS EXPECTED VISITS TO EGYPT, JORDAN, SYRIA, ISRAEL AND SAUDI ARABIS, NEWSMEN WERE TOLD. AS HAK COMPLETED HIS CIRCUIT OF ASIAN NATIONS WITH AGGRAVATED ARAB-ISRAELI DILEMMA DOMINATING HIS PLANNING, AMERICAN OFFICIALS DID THEIR BEST TO QUOTE PLAY IT COOL END QUOTE. U.S., ACCORDING TO HAK PARTY IS A LITTLE WISER THAN UNCLASSIFIED

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IT WAS THIS WEEK ABOUT IMPLICATIONS OF AB"" ARAB SUMMIT LEADERS' DECISION AT RABAT, WHICH CUT ACROSS U.S. POLICY ON NEGOTIATING A SETTLEMENT OF CONFLICT WITH ISRAEL. DECISION AT ARAB SUMMIT.... IN AMERICAN VIEW CAN PRODUCE THREE CONSEQUENCES: WAR, A STALEMATE OR SOME FORM OF NEGOTIATED COMPROMISE. IF THERE IS TO BE NO NEGOTIATION, NEWSMEN WERE TOLD, THE U.S. WILL HAVE TO BE INVOLVED BECAUSE ONLY THE U.S. HAS PRODUCED ANY NEGOTIATING SINCE LAST YEAR'S ARAB-ISRAEL WAR.

ON THE HAK PLANE FROM AFGHANISTAN, NEWSMEN WERE GIVEN A FORMAL DENIAL OF REPORTS THAT THE U.S. ALREADY IS SHIFTING TOWARD ACCEPTING NEGOTIATIONS WITH PLO AS ARAB COMMUNIQUE DEMANDED. BUT DENIAL CARRIED IMPORTANT QUALIFICATIONS THAT THERE IS NO SUCH POLICY SHIFT AT THIS TIME. THUS LEFT OPEN SUCH A POSSIBILITY. HAK IS DETERMINED TO AVOID ANY ACKNOWLEDGMENT OF A NEED TO SHIFT POLICY UNTIL HE EXPLORES JUST WHAT SADAT, HUSSEIN AND FAISAL INTEND. HAK IT WAS SAID HAS NO INTENTION OF MEETING WITH ARAFAT ON THIS TRIP. FOR HAK OR ANY OF HIS AIDES TO MEET ARAFAT AT THIS STAGE WOULD VIRTUALLY CONCEDE SYMBOLICALLY WHAT THE PLO SEEKS.

WASHSTAR - PAGE ONE ABOVE MASTHEAD QUOTE MATA HARI SHE WASN'T END QUOTE. O'LEARY HAS HILARIOUS ACCOUNT OF HIS RENDEZVOUS WITH LONESOME AND HUNGRY RUSSIAN LADY. SEPARATE CARRICATURES OF OLGA AND JERRY FRAME STORY.

5. WASHSTAR - OPED PAGE 9 - O'LEARY -- LEAD QUOTE ARAFAT NOT ON KISSINGER AGENDA. END QUOTE. HAK WILL NOT MEET WITH ARAFAT OR ANY OTHER PALESTINIANS ON CURRENT TRIP A SOURCE IN HAK PARTY SAID LAST NIGHT. HAK IS KNOWN TO BELIEVE THAT THIS WOULD BE THE WORST POSSIBLE TIME FOR U.S. TO HAVE ANY DIRECT CONTACT WITH PALESTINIANS. SENIOR SOURCE SAID HAK ACCEPTS THAT RABAT DECISION TO MAKE PLO RESPONSIBLE FOR FUTURE OF OCCUPIED WEST BANK HAS MADE ME PEACE NEGOTIATIONS MUCH MORE COMPLICATED. BUT IT IS SAID THERE IS NO REVIEW OF U.S. POLICY TOWARD ANY PALESTINIAN ROLE IN NEGOTIATIONS UNDERWAY AND NONE WILL BE INITIATED UNTIL HAK HAS HAD A CHANCE TO TALK TO THE LEADERS MOST CLOSELY INVOLVED OR UNTIL HE RETURNS UNCLASSIFIED

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TO WASHINGTON AND CAN LOOK OVER THE NEW SITUATION CARE-
FULLY....IT IS CLEAR THAT PALESTINIANS WILL BE PART OF
SETTLEMENT AND THAT THEY CANNOT BE IGNORED BY U.S.,
THE ISRAELIS OR ARAB STATES IN DIRECT CONFRONTATION
WITH ISRAEL. BUT OBSERVERS ARE BEING TOLD THE U.S. WILL
MAKE NO REVIEW OF PLO ROLE UNTIL HAK RETURNS TO
WASH ABOUT NOV 9....HAK SENIOR OFFICIAL SAID FEELS THE
NEED TO HAVE A TALK WITH ISRAELIS TO GET THEIR
PERSPECTIVE ON TURN OF EVENTS NOT ONLY FOR NEXT THREE
MONTHS BUT FOR TWO YEARS AHEAD. IT IS SAID TO BE HAK'S
VIEW THAT ARABS BELIEVE THEY HAVE MADE ONE OF THEIR
RHETORICAL COMPROMISES WHICH LEAVES OPTIONS OPEN TO THEM.
WHAT HAK HAS TO DISCOVER IS WHICH ARAB LEADERS ARE
PREPARED TO TAKE CONSEQUENCES OF RABAT DECISION.

6. BALTSUN - MILLS - PAGE ONE (NO PIX) -- HAK SPENT
4-1/2 HOURS WITH SHAH SEEKING HIS ADVICE ON ME AND OIL
CRISIS. SHAH NOT EXPECTED TO GIVE HAK ANY HELP
IN LOWERING PRICE OF OIL. BUT AMERICAN OFFICIALS HOPE
SHAH WILL BE A MODERATING INFLUENCE ON ARAB COUNTRIES.
HAK CONCERNED THROUGHOUT MOST OF HIS TOUR ABOUT
SUMMIT CONFERENCE. SENIOR OFFICIAL TRAVELING FROM KABUL
TO TEHRAN SAID HAK WILL ADD A ME SWING TO PRESENT TRIP.
HAK SAID TO BELIEVE ARAB RESOLUTION AMBIGUOUS ENOUGH
LEAVE ROOM FOR DIP MANEUVERING. HAK AND SHAH ALSO TALKED
ABOUT GENERAL INTERNATIONAL AFFAIRS AND INDIAN
OCEAN. INGERSOLL

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